

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 3102 - SB 3458**

March 2, 2012

**SUMMARY OF BILL:** Authorizes the City of Newport to levy a hotel occupancy tax, not to exceed five percent, subject to the adoption of an ordinance by a two-thirds vote of the municipal legislative body.

**ESTIMATED FISCAL IMPACT:**

**Increase Local Revenue – \$453,000/Permissive**

**Assumptions:**

- According to the Department of Health, there are 14 permitted hotels in Newport, with a total of 871 rooms.
- According to the Nashville Convention and Visitors Bureau, the 2009 hotel occupancy rate in Davidson County was 57 percent. According to PricewaterhouseCoopers LLP, the national hotel occupancy rate for 2009 was estimated to be 58.6 percent. Estimate assumes the occupancy rate in Newport is 57 percent.
- There will be approximately 181,212 (871 rooms x 365 days x 57% occupancy) nightly rentals each year in Newport.
- An average nightly rate of \$50.
- Newport imposes a five percent hotel occupancy tax.
- A permissive increase in local government revenue of \$453,030 (181,212 x \$50 x 5%).

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/jaw